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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
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**COMMISSIONERS**

KRISTIN K. MAYES, CHAIRMAN  
PAUL NEWMAN  
GARY PIERCE  
SANDRA D. KENNEDY  
BOB STUMP

**IN THE MATTER OF THE  
APPLICATION OF PICACHO PEAK  
WATER CO., INC., FOR A RATE  
INCREASE**

Docket No. W-02351A-07-0319

Docket No. W-02351A-07-0686

**STATUS REPORT**

**IN THE MATTER OF THE  
APPLICATION OF PICACHO PEAK  
WATER CO., INC., FOR AUTHORITY  
TO INCUR DEBT TO FINANCE  
WATER SYSTEM IMPROVEMENTS**

Decision Number 70558 requires Picacho Peak Water Company, Inc.

("Company") to file each January and July a report covering the previous 6 months that contain all activities regarding the Arizona Department of Environmental Quality ("ADEQ") Consent Order, as well as steps taken to recreate the mapping data for the distribution system. Accordingly, the Company submits this report briefly describing what has occurred since the last status report:

Arizona Corporation Commission  
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JAN 29 2010

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- 1 • On February 27, 2009, the Company submitted its proposal to implement point-of-  
2 use options to ADEQ.  
3
- 4 • On August 13, 2009, ADEQ approved the Company's proposal.  
5
- 6 • In August and September, the Company solicited requests for proposals from  
7 engineers for the project.  
8
- 9 • In September, the Company selected an engineer.  
10
- 11 • On September 24, 2009, the engineer performed a site inspection.  
12
- 13 • On October 21, 2009, based upon ADEQ's plan approval and the engineer's  
14 recommendations, the Company filed their Project Finance Application with the  
15 Arizona Water Infrastructure Finance Authority ("WIFA").  
16
- 17 • On December 16, 2009, the WIFA Board of Directors authorized the Company  
18 loan.  
19
- 20 • Pursuant to a request by ADEQ, the Company engineer developed a schedule for  
21 implementation of the treatment systems, including submittals to ADEQ and  
22 installation. Under this schedule, by no later than April 5, 2010, the Company will  
23 submit an application for approval to construct or an application for approval to  
24 install the point-of-use treatment works for residential and small commercial  
25 customers, multiple RV park point-of-use water dispensers, and the point-of-use  
26 works at both Bowlin's Restaurant and Bowlin's Travel Center. Within four  
27 months after receipt of approval to construct or approval to install, the Company  
28 shall submit the engineer's certificate of completion for all treatment works. For

1 example, if the Company receives the approval to install on April 30, the  
2 Company will submit the engineer's certificate of completion by no later than  
3 August 30, 2010.  
4

- 5 • The WIFA loan closing is scheduled for February 5, 2010.
- 6 • To date, the engineer has compiled the information needed to make  
7 recommendations concerning the corrective actions and agrees that the plan to  
8 implement point-of-use treatment is appropriate.
- 9 • Vendor selection process is nearly complete and the engineer is ensuring that the  
10 vendor equipment meets ADEQ requirements and the vendors have the ability to  
11 conform to maintain the systems pursuant to ADEQ rules.  
12

13 The Company reviewed its records and is confirmed that it does not have mapping  
14 data for the distribution system. The Company anticipates applying for a WIFA grant to  
15 map the water distribution system.  
16

17 Respectfully submitted on January 29, 2010.  
18

19 **MOYES SELLERS & SIMS**  
20

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22 \_\_\_\_\_  
23 Steve Wene  
24 Attorneys for Picacho Peak Water Co.

25 Original and 15 copies of the foregoing  
26 filed January 29, 2010, with:

27 Docket Control  
28 Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

1 Copy of the foregoing mailed  
2 January 29, 2010 to:

3 Compliance Section  
4 Arizona Corporation Commission  
5 1200 West Washington Street  
6 Phoenix, Arizona 85007

7 Donnelly Herbert  
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